

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF FLORIDA
PENSACOLA DIVISION**

UNITED STATES OF AMERICA

v.

CASE NUMBER: 3:14cr89/MCR

MICHAEL SEAN DAVIS

a/k/a "Sean Davis"

FACTUAL BASIS FOR GUILTY PLEA

The parties agree with the truthfulness of the following factual basis for the Defendant's guilty plea. The undersigned parties further agree that not all of the facts known from this investigation are contained in this brief summary.

Beginning in or about January 2006, Michael Sean Davis, L.C., and F.P. purchased the unimproved lots located at 11 Willow Mist Road, 60 Willow Mist Road, and 29 Willow Mist Road from the Preserve at Inlet Beach. Thereafter, Davis, L.C., and F.P. entered into contracts with Larry A. Wright and his company, Wright & Associates, to build houses on the properties. Davis, L.C., and F.P. obtained mortgage loans from mortgage lender Countrywide Home Loans, Inc. ("Countrywide"), to fund their purchases of the lots and the construction of residences on the lots by Wright and Wright & Associates. In or about January 2008, Bank of America, N.A. ("Bank of America"), acquired certain assets of Countrywide, which included Davis, L.C., and F.P.'s loans. Bank of America was a financial institution, the deposits of which were insured by the FDIC.

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Thereafter, Davis, L.C., and F.P. became unable to pay their mortgages held by Bank of America. Davis while the president and a director of Premier Community Bank of the Emerald Coast (“Premier Community Bank”), solicited T.R.C. to act as a straw buyer interested in purchasing Davis, L.C., and F.P.’s properties. Davis told T.R.C. that T.R.C. would purchase the properties through short sales from Bank of America, and then sell the properties the same day to third party buyers Davis had already arranged.

Thereafter, Bank of America approved short sales of Davis, L.C., and F.P.’s properties, which resulted in Bank of America receiving less money than was owed on the loans. As a part of the approval process, it was represented to Bank of America that T.R.C. and Outdoor Investments, LLC (“Outdoor Investments”) were purchasing the properties, that is, it was represented that T.R.C. and Outdoor Investments were actually providing money to purchase the properties.

As the president and director of Premier Community Bank, Davis authorized and approved loans from Premier Community Bank for G.S.D. and J.S.S. to purchase 29 Willow Mist Road from T.R.C. and Outdoor Investments. The loans authorized by Davis were for an amount greater than what T.R.C. and Outdoor Investments had allegedly purchased the property during the short sale on the same day. Because the closings were conducted on the same day, the money from the Premier Community Bank loans approved by Davis was used to purchase the property from F.P. Therefore, T.R.C. and Outdoor Investments did not contribute any money for the purchase of the property. Following G.S.D. and J.S.S.’s closing, using the Premier Community Bank loans, approximately \$317,348.02 was wire transferred to T.R.C. Thereafter, T.R.C. issued a

check to Davis's company, MSD Investments, LLC ("MSD Investments") for approximately \$297,408.02. Davis then issued a check to God's Kingdom for \$115,000.

Further, as the president and a director of Premier Community Bank, Davis authorized and approved a loan from Premier Community Bank for C.Z. to purchase 60 Willow Mist Road from T.R.C. and Outdoor Investments. The loan authorized by Davis was for an amount greater than what T.R.C. and Outdoor Investments had allegedly purchased the property during the short sale on the same day. Because the closings were conducted on the same day, the money from the Premier Community Bank loan approved by Davis was used to purchase the property from L.C. Therefore, T.R.C. and Outdoor Investments did not contribute any money for the purchase of the property. Following C.Z.'s closing using the Premier Community Bank loan, approximately \$26,963.64 was wire transferred to T.R.C. Thereafter, Davis directed T.R.C. to issue a check to God's Kingdom for approximately \$21,963.64.

Thereafter, with the assistance of Davis, C.Z. and H.D.P. obtained loans from Beach Community Bank for C.Z. and H.D.P. to purchase 11 Willow Mist Road from T.R.C. and Outdoor Investments. Beach Community Bank was a financial institution, the deposits of which were insured by the FDIC. The loans Davis assisted in obtaining from Beach Community Bank were for an amount greater than what T.R.C. and Outdoor Investments had allegedly purchased the property during the short sale on the same day. Because the closings were conducted on the same day, the Beach Community Bank loans were used to purchase the property from Davis. Neither T.R.C. nor Outdoor Investments contributed any money for the purchase of the property.

Because payments were not being made on the mortgage loans issued by Premier Community Bank and Beach Community Bank to G.S.D., J.S.S., C.Z., and H.D.P., foreclosure proceedings were initiated on the subject properties. As a result of the above conduct, Davis discharged approximately \$743,425 in debt owed to Bank of America for mortgage loans issued to Davis on 11 Willow Mist Road.

During the course of the conduct, documents were mailed and delivered by the United States Postal Service, and by any private and commercial interstate carrier. Premier Community Bank was a financial institution, the deposits of which were insured by the FDIC. Davis was initially a director, and thereafter the president of Premier Community Bank until in or about January 2011. On or about December 16, 2011, the Florida Office of Financial Regulation closed Premier Community Bank and the FDIC was named receiver. Summit Bank, NA, purchased certain assets and assumed certain liabilities of Premier Community Bank. Based upon the conduct committed by Davis, the parties agree that the United States Sentencing Guidelines loss attributable to Davis is no more than \$7 million.

ELEMENTS OF THE OFFENSES

Count One – 11th Cir. Pattern Inst. 54 - Conspiracy to commit bank fraud or mail fraud affecting a financial institution

- First: two or more persons, in some way or manner, agreed to try to accomplish a common and unlawful plan to commit fraud, as charged in the Information; and
- Second: the Defendant knew the unlawful purpose of the plan and willfully joined in it.

Count Two – 11th Cir. Pattern Inst. 74.5 – Conspiracy to commit money laundering

- First: two or more people agreed to try to accomplish a common and unlawful plan to violate 18 U.S.C. Section 1956; and
- Second: the Defendant knew about the plan's unlawful purpose and willfully joined in it.

Counts Three, Five, Eight, Nine – 11th Cir. Pattern Inst. 39 – False Statement to a Federally Insured Institution

- First: the Defendant made a false statement or report;
- Second: the Defendant did so knowingly and with intent to influence an action of the institution described in the indictment regarding an application, advance, commitment, or loan, or a change or extension to any of those; and
- Third: the deposits of the institution were insured by the FDIC.

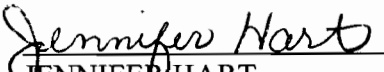
Counts Four and Six – 18 U.S.C. § 1005 (4th paragraph) provides the following is unlawful,

Whoever with intent to defraud the United States or any agency thereof, or any financial institution referred to in this section, participates or shares in or receives (directly or indirectly money, profit, property, or benefits through any transaction, loan, commission, contract, or any other act of any such financial institution –

Count Seven – Money Laundering - Eleventh Circuit Pattern Instructions, Instruction 74.6

- First: the Defendant knowingly engaged or attempted to engage in a monetary transaction;
- Second: the Defendant knew the transaction involved property or funds that were the proceeds of some criminal activity;
- Third: the property had a value of more than \$10,000;
- Fourth: the property was in fact proceeds of violations of one or more of the following: 18 U.S.C. §§ 1005, 1014, 131, and 1344; and
- Fifth: the transaction took place in the United States

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MICHAEL SEAN DAVIS
Defendant

March 13, 2015
Date

3/13/15
Date